

DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR THE
STORY CREEK SUBDIVISION

THIS DECLARATION is made this 25 day of June, 2018 by Story Creek Partners, LLC, a Montana limited liability company, hereinafter referred to as "Declarant."

WHEREAS, Declarant is the owner in fee simple of all the property specifically described in Exhibit A, attached hereto and incorporated herein, and hereinafter known as the "Story Creek Subdivision."

WHEREAS, Declarant intends to develop, sell, and convey the Lots created on the above described real property; and

WHEREAS, the Story Creek Subdivision is located within the boundaries of the City of Belgrade, County of Gallatin, State of Montana, is subject to the City of Belgrade subdivision regulations, and is created pursuant to the laws of the State of Montana and, therefore, is subject to the terms and conditions set forth in the applicable subdivision and zoning regulations;

NOW THEREFOR, the Declarant does hereby establish, dedicate, publish, and declare that all of the Story Creek Subdivision, as described in Exhibit A, together with all Lots created thereon, shall be owned, held, sold, conveyed, encumbered, leased used, occupied, and developed subject to the following Protective Covenants, which shall run with the land and be binding on the Story Creek Subdivision and all parties having any right, title, or interest in the Story Creek Subdivision or any part thereof, their grantees, legal representatives, heirs, devisees, successors, and assigns, and shall be for the purpose of maintaining a uniform and stable value, character, architectural design, use, and development. These Covenants shall apply to all real property located in the Story Creek Subdivision and all improvements placed or erected thereon unless otherwise specifically provided herein.

ARTICLE I - PURPOSE

These Covenants and Restrictions are adopted to preserve and maintain the values of the Property for the benefit of the owners. It is the purpose of these Covenants and Restrictions to preserve and protect the environment, the natural beauty, view, and surroundings of the Property, and to preserve and protect the interests and investment of the individual owners.

ARTICLE II - DEFINITIONS

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Association. The Story Creek Homeowners Association, a Montana nonprofit mutual benefit corporation, which is all of the Lot Owners acting as a group and in accordance with these duly adopted Bylaws and this Declaration.

Board of Directors or Board. The body responsible for administration of the Association serving as the board of directors under Montana law.

Bylaws. The Bylaws adopted by the Association.

Common Expenses. All costs associated with maintenance, repair, and replacement of the Common Areas and Roadways and any other common costs incurred by the Association for the benefit of the Property.

Common Areas. All real property within the Subdivision and Property, excluding any Lots, owned by the Association including, but not limited to parks, trails, paths, and easement as shown on the Subdivision Plat or any subsequent plats. Sidewalks and driveways that are property of a Lot Owner or Lot Owners are not Common Areas.

Design Review Committee or Committee. The body responsible for approval of Lot Owners' plans for improving, building, or remodeling on any Lot as more specifically described and set forth in Article V of this Declaration.

Design Review Guidelines. Guidelines applicable to all development activities on the Property as adopted by the Declarants and/or the Design Review Committee and as more specifically described and set forth in Article V of this Declaration.

Declarant. Story Creek Partners, LLC, or its successor.

Developer. Story Creek Partners, LLC or its successor.

Fiscal Year. From the beginning of January through the end of December.

Lot or Lots. A parcel of real property in the Subdivision as depicted on the Subdivision Plat and any parcel of real property annexed to this Declaration and these Bylaws by the Declarant.

Lot Owner. One or more persons who hold the record title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a contract for sale, the purchaser (rather than the fee owner) will be considered the Lot Owner.

Member. A person entitled to membership in the Association.

Noxious Weeds. Plants identified by the County of Gallatin, Montana, or the State of Montana as being "noxious."

Open Space. Portions of the Property designated on the recorded Subdivision Plat or Plats as "Open Space" or "OS" and boulevards in the easements, which areas shall be owned by the Association.

Plat. The official plat of the Subdivision on file and of record with the Clerk and Recorder of Gallatin County and as subsequently amended.

Property or Properties. All the real property included within the boundaries of the Subdivision, as designated on the official plat on file and of record with the Clerk and Recorder of Gallatin County and any additional property annexed to this Declaration and these Bylaws by the Declarant.

Roadways. Any street or roadway within the Subdivision used for access to Lots.

Subdivision. The Plat of the Story Creek Subdivision as designated on the official plat on file and of record with the Clerk and Recorder of Gallatin County and as subsequently amended.

ARTICLE III – COVENANTS AND RESTRICTIONS

A. COVENANTS

1. No water may be removed from any irrigation ditch, canal, or other water conveyance facility without a water right, permit, or written water lease agreement with the appropriate water users and/or water conveyance facility's authorized representatives.
2. Unless there is written consent from the appropriate water users and/or water conveyance facility's authorized representatives, storm-water, snowmelt runoff, water from dewatering practices, or other water originating from within the boundaries of the subdivision shall not discharge into or otherwise be directed into any irrigation ditch, canal, pipeline, or other water conveyance facility
3. During construction, the Developer shall remove any trash or debris that originated from within the subdivision and has accumulated in the water conveyance facilities passing through the property by no later than May 1st of each year. If the Developer fails to remove the trash or debris as described above, the water users and/or water conveyance facility's authorized representatives may cause the trash or debris to be removed and bill the Developer or adjacent lot owners for such efforts. Until such time that the lots are conveyed, such requirements shall be the responsibility of the Developer.

4. Lot owners are hereby notified of the water users, water conveyance facility's authorized representatives, and/or their designee's right to access the property to maintain and repair the water conveyance facility (this includes, but is not limited to, placement of excavated material, removal of vegetation and debris along the water conveyance facility); to install, repair, and or adjust headgates and other diversion structures; and to carry out other normal means of repair and maintenance related to the ditch.
5. The owners shall not undertake any activity that would result in the interference or obstruction in the transmission of water in the water conveyance facility. Before any maintenance, improvements, or modifications are performed on any water conveyance facility, written permission must be obtained from the water users and/or water conveyance facility's authorized representatives prior to commencing such work. Upon completion of maintenance, improvements, or modifications to any water conveyance facility, the person responsible for such work shall provide written notice to the water users and/or water conveyance facility's authorized representatives and allow them an opportunity to inspect such work.
6. Lot purchasers are hereby notified that Montana law provides specific protections in regards to liability and nuisance claims for agricultural operations and irrigators. Those specific protections include, but are not limited to Section 85-7-2211, MCA; Section 85-7-2212, MCA; and Section 27-30-101, MCA.
7. Lot Owners and tenants residing within the Subdivision are hereby informed that adjacent uses may be agricultural. Lot Owners accept and are aware that standard agricultural and farming practices can result in dust, animal odors, flies, smokes, machinery noise, and other occurrences common to agricultural practices. Standard agricultural practices feature the use of heavy equipment, chemical sprays, and the use of machinery early in the morning and sometimes late into the evening.
8. An easement recorded with the final plat of this Subdivision shall show a water conveyance (ditch) non-interference setback of twenty feet (20'). This setback is measured from the centerline of the water conveyance and extends ten feet (10') on each side of the centerline of the water conveyance. This setback shall provide for the unobstructed passage and delivery of water, unobstructed access, inspection, use, routine maintenance, repair, and construction related to the water conveyance facility.

9. Any water conveyance facility non-interference setback or easement shown on the subdivision plat does not eliminate any secondary easement described by Section 70-17-112, MCA.
10. Unless there is written consent from the appropriate water users and/or water conveyance facility's authorized representatives, post development storm water, snowmelt runoff, water from dewatering practices, or other water originating from within the boundaries of the subdivision shall not discharge into or otherwise be directed into any irrigation ditch, canal, pipeline, or other water conveyance facility.
11. The Declarant shall not undertake any activity that would result in the interference or obstruction in the transmission of water in any water conveyance facility. Before any maintenance, improvements, or modifications are performed on any water conveyance facility, written permission must be obtained from the water users and/or water conveyance facility's authorized representatives. Upon completion of maintenance, improvements, or modifications to any water conveyance facility, the Declarant shall provide written notice to the water users and/or water conveyance facility's authorized representatives and allow them an opportunity to inspect such work.
12. The control of Noxious Weeds by the Association on those areas for which the Association is responsible and the control of Noxious Weeds by Lot Owners on their respective Lots shall be as set forth and specified under the Montana Noxious Weed Control Act (Mont. Code Ann. §§ 7-22-2101 through 2153) and the rules and regulations of the Gallatin County Weed Control District. The Association and all Lot Owners shall be responsible for the control of state and county declared Noxious Weeds on his/her Lot or Common Areas. Both unimproved and improved Lots shall be managed for Noxious Weeds. In the event a Lot Owner does not control the Noxious Weeds, after ten (10) days notice from the Association, the Association may cause the Noxious Weeds to be controlled. The cost and expense associated with such weed management shall be assessed to the Lot Owner and such assessment may become a lien if not paid within thirty (30) days of the mailing of such assessment.
13. Lot Owners shall install and maintain fences bordering agricultural lands in accordance with state law. The Association shall install and maintain fences on Common Areas bordering agricultural land. The Association may decide to take

on the responsibility to install and maintain all fences of the subdivision bordering agricultural land.

14. The Developer shall form the Association and file the required and appropriate documents with the Montana Secretary of State.
15. The Association shall retain ownership and provide for the maintenance of Common Areas within the Subdivision.

B. RESTRICTIONS ON USE

1. Story Creek Subdivision is zoned "R2 - Residential Single Family District Medium Density" according to the zoning code of the City of Belgrade. No Lot Owner, Member, or person is permitted to use any Lot or other property within the subdivision in a manner inconsistent with the City of Belgrade zoning code unless such use is specifically permitted by these covenants and restrictions and the Story Creek Subdivision PUD approved by the City of Belgrade.
2. All dwellings constructed within the Subdivision must be constructed on-site (a/k/a: stick built dwellings). Modular, manufactured, or dwellings constructed off-site are not permitted to be constructed or installed upon any Lot in the Subdivision.
3. Block 3 lots 12 – 21 and Block 5 lots 1 - 8, as depicted on the official Plat of the Story Creek Subdivision on file with the Clerk and Recorder of Gallatin County, shall be used for multi-family dwellings and shall have one "4-plex" or one "3-plex" installed per Lot. Block 4, lots 1A, 1B, 2A, 2B, 3A, 3B, 4A, 4B, 5A, 5B, 6A, 6B, 7A, 7B, 8A, 8B, 9A, 9B, 10A, 10B, 11A, 11B, 12A, 12B, 13A, 14B, 15A, 15B, 16A, 16B, 17A, 17B, 18A, 18B, 19A, 19B, 20A, 20B, 21A, and 21B, as depicted on the recorded Plat of the Story Creek Subdivision on file with the Clerk and Recorder of Gallatin County, shall be used for "townhouses." All other Lots within the Subdivision shall be used as single family dwellings. .
4. No part of the Subdivision shall be used or maintained as a dumping ground for rubbish, trash, recyclable material, or garbage.
5. No Lot may be used for the storage of any inoperable automobiles, boats, equipment, machinery, vehicles, or any other thing(s).
6. No Lot or dwelling unit may be used to store any articles, vehicles, equipment, or other personal property of any quantity in excess of the needs and personal use of the Lot Owner or the occupants thereof. Storage of materials, supplies, equipment, vehicles, tools, or trade items is expressly prohibited unless such items are stored in the main structure, the garage, or other structure.

7. Recreational vehicles, camper trailers, equipment trailers, motorhomes, fourwheeler trailers, snowmobile trailers, and other such vehicles and trailers must be parked and/or stored in garages or other completely enclosed and covered structures; except, such items may be parked in a driveway or other designed parking space for a period not to exceed forty-eight (48) hours in any seven day period.
8. Except as may be necessary during reasonable periods of construction, no Lot may be used for the parking or storage of any commercial trucks, large commercial vehicles, or other heavy equipment.
9. On street parking is permitted. However, Lot Owners must take reasonable efforts to utilize garage and driveway parking space before utilizing on street parking space.
10. No parking is permitted on grass, common areas not designated as parking areas, yards, or any other place not designated as a parking area.
11. No residential structure of a temporary character, residential trailer, basement, tent, shack, or any other residential outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently.
12. No more than two common household pets are permitted per dwelling unit. The proper control and care of household pets is required. No domestic fowl, horses, swine, cattle, goats, or sheep (whether or not considered to be pets) are allowed within the subdivision. No farm animals are allowed in the subdivision. All applicable local laws and regulations regarding pets must be strictly adhered to. All pets must, and at all times, be under the immediate control and supervision of their owners.
13. Dogs may not be chained to a stake, post, or structure. Frequent dog barking is not permitted and may constitute a nuisance.
14. No dwelling or any other structure erected within the subdivision which is subject to this Declaration shall be used for any commercial endeavor or other business activity. Cottage industry type activities are permitted provided the cottage industry employs no employees and does not otherwise violate these covenants or the applicable zoning ordinances.
15. No commercial advertising for a small or cottage business being operated within the subdivision is permitted to be erected within the subdivision.
16. Commercial daycare and/or child care services may not be carried on in the subdivision.

17. Except for personal use on the 4th of July and 1st of January, no fireworks of any kind may be brought onto, discharged upon, or stored upon any Lot.
18. No firearms may be discharged within the subdivision.
19. The cutting of firewood with a chainsaw is prohibited within the subdivision.
20. Any firewood stored on a Lot must be stored in either (x) a covered structure with at least two walls designed for the storage of wood or (y) in a garage. Any wood storage structure shall be architecturally compatible with the material and color of the primary structure on a Lot. No firewood may be stored, and no firewood storage structure may be installed, along the side or front of a house
21. Outdoor recreational fires are permitted on a Lot if the fire is contained in a metal or masonry container not exceeding 36 inches at its widest point of measure and is located at least thirty (30) feet from any structure, fence, refuse pile, compost pile, stockpile of flammable material, property line, tree, and bush.
22. No snowmobiles, dirt bikes, ATVs, or similar off-road vehicles may be used within the subdivision.
23. No person may violate any local laws or regulations.

C. COMMON AREAS

1. As set forth in Article IV, the Association is charged with the maintenance and repair of the Common Areas and the regulation of the use of the Common Areas. No improvements shall be constructed on the Common Areas except as determined by the Association. No gates or obstructions may be placed upon any Common Area and no impediments may be installed except and unless approved by the Association.

D. CONSTRUCTION SCHEDULES

1. Any and all construction, alterations or improvements shall be subject to advance approval by the Design Review Committee and shall be diligently worked on to completion and shall be completed within eighteen (18) months following commencement. No aspect of construction may impede, obstruct, or interfere with pedestrian or vehicular traffic.

E. MAINTENANCE

1. Lot Owners shall maintain their Lots, improvements, and landscaping in good repair and appearance at all times and in accordance with all specified maintenance requirements described herein or that may be otherwise required by the Association.

F. NUISANCE PROHIBITED.

1. No noxious or offensive activity is permitted upon any portion of the Property, nor shall any use or activity be permitted which may be, or may become, an annoyance or nuisance to adjacent Lot Owners or which may depreciate the natural environmental amenities of the Property.

G. EASEMENTS.

1. Ingress and Egress: An easement for general ingress and egress to each Lot for the general use of all Lot Owners and their guests shall exist over all roadways on the Property.
2. Right of Access: A right of access shall be reserved to the Declarants and the Association to conduct emergency repairs in improvements or on Lots on the Property. These repairs may be needed to prevent property damage, personal injury, or continued property damage.
3. Utilities: A ten foot (10') easement for the installation, occupation, and maintenance of electric service shall exist on the front (the side of the Lot nearest the road) of all Lots except for the Lots that makeup the northern and southern boundaries of the Subdivision. A twenty foot (20') easement for the installation, occupation, and maintenance of a natural gas mainline shall exist within the Subdivision. A depiction of the the easements described herein shall be recorded and declared in a supplemental declaration for this subdivision.

H. COMPLIANCE.

1. Every Lot Owner, tenant, and occupier of any structures within the Subdivision shall comply with this Declaration, the Bylaws, the Design Review Guidelines, any applicable local laws, and the rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or equity, by the Association, the Declarants, or in the proper case, by any aggrieved Lot Owner.

I. SIDEWALKS AND DRIVEWAYS.

1. Sidewalks shall be installed on both sides of all roadways within the subdivision and the sidewalks shall be the property of the Lot Owner where the sidewalk is located.
2. Sidewalks shall be installed by the Lot Owner, at the Lot Owner's expense, at the time houses or buildings are constructed on the Lot Owner's Lot. Two (2) years after the recording of the final plat of each phase, all Lot Owners must install sidewalks according to the covenants and restrictions contained herein and as

depicted on Exhibit _____ regardless of whether construction of a house or building on the Lot Owner's Lot has been initiated. If a Lot Owner fails to install sidewalks as required by these covenants, the Association may install the sidewalks and the cost of the installation shall be added to the assessment of the Lot Owner where the sidewalk was installed.

- i. At the time of purchase, and for every Lot purchased within the Subdivision, the purchaser (Lot Owner) shall deposit with the City of Belgrade FOUR DOLLARS AND EIGHTY CENTS (\$4.80) for every square foot of sidewalk to be installed upon the purchased Lot(s). Once the requirements contained in Article III, § I, 2 of this Declaration have been satisfied, the City of Belgrade shall remit the deposit paid by the Lot Owner to the Lot Owner. In the event the requirement contained in Article III, § I, 2 of this Declaration have not been satisfied, the Lot Owner will be considered to have forfeited the deposit and the Subdivision shall install the sidewalks as required by Article III, § I, 2 of this Declaration.
3. Lot Owners are responsible for the maintenance, repair, and removal of snow from the sidewalks located on their Lots.
4. Lot Owners must keep their sidewalks free of obstructions. Lot Owners shall remove snow and ice from their sidewalks as soon as is reasonable. Lot Owners may not park automobiles, or place any other thing, on a sidewalk or at the place where a driveway crosses a sidewalk.
5. All garages must have a driveway leading from the street to the garage. All driveways must be constructed pursuant to these covenants and the Design Review Guidelines. All driveways must be constructed of concrete and may not be constructed of asphalt, gravel, dirt, or any other material. All driveways must enter the Roadway at a perpendicular angle.
6. Driveways may not encroach upon the property of another Lot or within an easement.
7. The construction and maintenance of all driveways shall be the responsibility of the Lot Owner. Driveways and parking areas shall be crowned and appropriately sloped to ensure adequate draining.
8. Driveways for single and double car garages shall not exceed twenty-four (24) feet in width at the point of intersection with the Roadway. Driveways for triple car garages shall not exceed thirty-six (36) feet in width at the point of intersection with the Roadway. No driveway, regardless of the size of the garage, may have a width of less than sixteen (16) feet at any point of measurement. In the event the City of Belgrade enacts more stringent restrictions regarding

driveway widths, all driveway widths must comply with all requirements passed by the City of Belgrade.

9. The grade of a driveway shall not exceed 1:20 for the first 20 feet from the roadway, and shall not exceed 1:10 for all other portions of the driveway.
10. No side yard parking pad sites are permitted unless otherwise specifically approved by the Design Review Committee.

J. UTILITIES.

1. Each Lot Owner is responsible for acquisition, installation, and connection of their utilities to commercially available systems or public systems. This includes connections to sewer, water, gas, electricity, telecommunications, or any other utility.
2. Each Lot Owner is responsible for the removal and cost of removal of their garbage from their Lot. All waste shall be stored in dedicated and sanitary containers.
3. All utilities (including natural gas, electric, telecommunications and other like services) shall be installed underground.
4. Utility meters shall be placed in a location acceptable to the applicable utility company and yet not visible from adjoining Roadways.
5. All conduit, wires, pipes, etc. are to be beneath the exterior wall or shall be otherwise enclosed. Meters, transformers, and other utility boxes shall be concealed with landscaping.

ARTICLE IV COMMON AREAS

1. Maintenance, repairs, landscaping, and replacements of Common Area grounds and improvements shall be the expense of the Association provided, however, if such damage is caused by a negligent or tortious act of any Lot Owner, members of his or her family, guest or employee, then such Lot Owner shall be responsible and liable for all such damage. No cutting of trees is allowed in the Common Areas except as determined as necessary by the Association (or by the Declarant if Declarant owns the Common Areas).
2. All Common Areas, as depicted on the final plat shall be reserved in perpetuity as areas for the common use and benefit of all Lot Owners and the general public. Each Lot Owner shall have the right to use and enjoy the Common Areas and facilities, if any, subject to any restriction in these covenants. The Association

shall be fully responsible for all liability insurances, taxes, assessments, and maintenance expenses of all Common Areas and facilities.

3. Declarant shall be the record owner of all Common Areas until the sooner of (x) 75% of the Lots depicted on Exhibit ____ being sold or (y) Declarant transferring title of the Common Areas to the Association.
4. The maintenance and removal of snow from the roadways is the responsibility of the City of Belgrade. The Association is responsible for the maintenance and removal of snow from any non-roadway Common Areas. The Association is not responsible for the maintenance and removal of snow from sidewalks and driveways that are the property of a Lot Owner or Lot Owners.

ARTICLE V - DESIGN REVIEW COMMITTEE, CONSTRUCTION, AND DESIGN REVIEW GUIDELINES

A. GENERAL

1. The intent of the Design Review Guidelines, set forth in this Article V, is to promote and maintain a level of architectural quality, size, appearance and continuity amongst the buildings, site improvements and landscape. Furthermore, the intent is to establish minimum standards to ensure that the type of building structure constructed is compatible and that the property values are protected.
2. No structure shall be placed, erected, or installed upon any Lot, no improvements (including clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials), and no additions or changes (including exterior remodeling) of any portions of the Lot shall take place except in compliance with the Design Review Guidelines, this Declaration, and with the prior approval of the Design Review Committee.
3. The Design Review Committee shall have the authority to reject the materials, designs, and/or colors submitted with plans, or the plans themselves, if they are incompatible with these covenants or with the rest of the subdivision.
4. The Design Review Committee shall have the power, authority, standing, and right to enforce these covenants in any court or law or equity when the Committee reasonably believes the same have been violated. The Committee Shall have the authority to revoke or suspend building approval and/or order the suspension or cessation of any construction or work in violation of these covenants or of any approval issued by the Committee.

B. COMPOSITION

1. The Design Review Committee shall have exclusive jurisdiction over all original construction and remodeling on any portion of the Property.

2. The Design Review Committee shall, at all times, be composed of three (3) individuals.
3. Until such time as the Declarant has conveyed 100% of the Property to Lot Owners other than builders/real estate agents, the Design Review Committee shall consist of two (2) agents selected by Minnick Management Inc. of Bozeman, MT and one (1) Lot Owner selected by a majority vote of the Association. The Association shall also select one (1) additional Lot Owner to serve as an alternate Lot Owner member of the Design Review Committee. The alternate Lot Owner member of the Design Review Committee shall serve in the place of the regular Lot Owner member of the Design Review Committee if the regular Lot Owner member is unable to attend a meeting of the Design Review Committee or if the regular Lot Owner member is prevented from voting for any reason.
4. The Declarant retains the right to review all plans submitted for Design Review approval until such time as 100% of the Property has been conveyed by Declarants to Lot Owners other than builders/real estate agents.
5. The Members of the Owners Association shall elect the members of the Design Review Committee at the Association's annual meeting. Member(s) elected by the Members of the Owners Association shall serve for a term of 1 year. Any member of the Design Review Committee elected by the Members may be removed by a majority vote of Members at any Association meeting and a new member of the Design Review Committee shall be elected at said meeting. If one of the positions elected by the Members becomes vacant for any reason other than removal by the Members, the Association's Board shall appoint a person to complete the remaining term.
6. The Members of the Owners Association may, by majority vote, elect to change the property management company that is empowered with selecting two of the members of the Design Review Committee. However, until such time as the Declarant has conveyed 100% of the Property to Lot Owners other than builders/real estate agents, under no circumstances may the Members not elect a management company to select two of the members of the Design Review Committee.

C. VOTING

Each member of the Design Review Committee shall have one (1) vote. No member of the Design Review Committee shall vote on issues before the Design Review Committee involving his/her own Lot or Lots owned by a person whom the member represents in any other capacity. The alternate Design Review Committee member shall be permitted to vote when the Lot Owner member of the Design Review Committee is not available to review the plans or is otherwise prevented from voting.

D. DESIGN REVIEW COMMITTEE PROCEDURE AND OPERATION

The Committee shall be governed by the following procedure and rules in its consideration of plans and specifications submitted for approval:

1. The primary purpose and use of the subdivision is to provide residential housing. The Committee must not make decisions that are inconsistent with the primary purpose of the subdivision and must not make decisions inconsistent with the development of the subdivision.
2. In considering any plans and/or specifications, the Committee shall examine the suitability of the proposed design and materials to the subject Lot, to the surrounding Lots, and to the subdivision as a whole.
3. No plans and/or specifications shall be approved which would harm the monetary or aesthetic values within the subdivision.
4. Except for any variances which have been granted by the Committee, no plans and/or specifications shall be approved unless they are in compliance with provisions contained in these covenants.
5. All applicable requirements of the City of Belgrade and the Montana Building Code shall be satisfied for all structures constructed.
6. The Committee shall endeavor to have the structures within the subdivision appear similar, but not identical. The Committee should make decisions so as to prevent structures in the subdivision appearing "cookie cutter."

E. SUBMISSION OF PLANS.

1. Before beginning construction or installation of any structure, landscaping, or improvements upon a Lot (including clearing, excavation, grading, other site work, exterior alteration of existing improvements, remodeling, or the planting or removing of major landscaping materials) a scaled site plan 1:20 scale, shall be submitted to the Design Review Committee showing the following:
 - The footprint of the structure(s);
 - A landscaping plan including plans for fences, drainage, trees, shrubbery, grass, irrigation, and exterior lighting;
 - A description and samples where needed of the materials and colors to be used in construction of all structures;
 - A proposed construction completion date;

- All required City of Belgrade permits, approvals, etc.; and
 - Two copies of complete construction drawings including floor plans, exterior elevations, roof design, specifications, and any construction details.
2. A review fee shall be paid by the applicant to the Committee at the time of the applicant's submission of proposed plans and specifications to the Committee. The initial fee shall be \$375.00 per plan submitted and regardless of the number of structures of houses contained in the plan. For re-submitted or previously denied plans that only alter the color, finish, or aesthetic aspects of the plan, the fee shall be \$275.00. For re-submitted or previously denied plans that contain structural changes to the plan, the fee shall be \$450.00. The amount of the review fee may be altered by the Board from time to time.

F. DECISION PROCESS.

The Lot Owner shall initiate construction within one (1) year of the receipt of written approval from the Committee and the Lot Owner shall proceed diligently toward completion of all approved excavation and construction activities. If the Lot Owner fails to initiate construction within one (1) year of the receipt of written approval from the Committee, the Committee's approval shall be deemed expired and the Lot Owner's approval shall be deemed denied.

1. A Lot Owner may apply to the Committee for an extension to the one (1) year construction initiation deadline at any time prior to the expiration of the then current construction expiration deadline.
2. The Committee may, in its absolute discretion, grant or deny an application for an extension to then current construction initiation deadline. The Committee may grant an extension of any length up to one (1) year. There is no limit to the number of extensions that may be granted.
3. If the Committee fails to affirmatively approve or deny an application for an extension prior to the expiration of the then current construction initiation deadline, the applicant's application for an extension is deemed denied.

G. FAILURE TO ACT.

In the event the Design Review Committee fails to approve or to disapprove any application within thirty (30) days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Review Guidelines, if any, or this Declaration unless a variance has been granted in writing by the Design Review Committee.

H. VARIANCE.

1. The Design Review Committee may authorize variances from compliance with any of its guidelines and procedures when circumstances require, but only in accordance with duly adopted rules and regulations.
2. Variances may only be granted, when unique circumstances dictate and no variance shall: (1) be effective unless in writing; (2) be contrary to this Declaration; or (3) stop the Design Review Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not necessarily be considered a hardship warranting a variance.
3. The Design Review Committee may not grant a variance from compliance regarding any state or local building code unless the same variance has been granted by the applicable jurisdiction.

I. NO WAIVER OF FUTURE APPROVALS.

Approvals of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

J. LIMITATION ON LIABILITY.

1. Approval by the Design Review Committee neither represents, nor shall the Design Review Committee offer any opinion as to whether plans and specifications conform to building codes or state and local regulatory requirements.
2. Approval does not include examination for errors or omissions. Neither the Design Review Committee, the Association, Declarant, nor any member of the foregoing shall bear any responsibility for ensuring structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements.
3. Neither the Design Review Committee, the Association, Declarants nor any member of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot.

K. INDEMNIFICATION

1. The Association shall indemnify any member of the Design Review Committee and the Developer against expenses, judgments, fines, settlements and other amounts

actually and reasonably incurred by such person by reason of such person having been made or having been threatened to be made a party to a proceeding because said person was or is a member of the Design Review Committee or a Developer if said individual conducted him or herself in good faith and reasonably believed that his or her conduct was in the Association's best interests or, in the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

2. The Association may not indemnify a person if said person is adjudged liable to the Association or the Design Review Committee in an action brought by the Association or the Design Review Committee or if in any action said person has been found to have received improper personal benefit at the expense of the Association or the Design Review Committee.
3. If the Association's Committee determines the person qualifies for indemnification under this Section K., the Association insurance shall advance the expenses reasonably expected to be incurred.

K. DESIGN REVIEW GUIDELINES

1. Landscaping

- i. Weather permitting, all landscaping shall be completed within three (3) months after occupancy or completion of the dwelling unit located on the Lot.
- ii. Weather permitting, all Lots are required to install sod within three (3) months after occupancy or completion of the dwelling unit located on the Lot.
- iii. Weather permitting, all Lots are required to install boulevard trees within three (3) months after occupancy or completion of the dwelling unit located on the Lot.
- iv. An underground sprinkler system is required on each Lot.
- v. No Lot may initially install grass via seeding or hydro-seeding. All grass to be initially installed upon a Lot must be sod.
- vi. All Lots must install and maintain (or replace as necessary) at least two (2) trees located in the boulevard. Such trees must be a minimum of 1 and 1/2 inch in diameter at the time of installation.
- vii. All Lots must install and maintain (or replace as necessary) as least two (2) tree located in the yard visible from the road. Such trees must be a minimum of 1 and 1/2 inch in diameter at the time of installation.

2. Siding

- i. The exterior siding of all structures shall consist of natural wood, wood look-alikes, or wood products, brick, stone, stucco, or other manufactured exterior good quality materials.
- ii. Sheet or panel metal siding, cement block siding, vinyl siding, and/or plywood sheet siding is prohibited.
- iii. Siding shall run horizontally or vertically; but not at other angles.
- iv. Garage doors may be oriented towards the Roadway, but shall be de-emphasized as a feature of the building. Garage doors must either match the color of the main building or match the trim color of the main building. Garage doors shall not exceed eighteen (18) feet in width.

3. Roof

- i. All roofs shall be covered with shakes, tiles, or shingles. No rolled roofing is permitted. No metal roofs are permitted. Roofing material shall only act as accent and shall not be the dominant exterior material on any building. Metal roofing materials may be used as an accent material only.
- ii. Exposed aluminum, reflective metal, or silver flashing (including roof gutters) shall not be allowed unless colored to match the trim or color of the roof. Steel galvanized gutters are not allowed.
- iii. Each residence shall have a minimum of two roof ridges.
- iv. Consideration shall be given to the prevention of excessive snow build-up and snow shedding.
- v. Dormers and secondary roofs are often necessary to add interest and scale to major roof areas and to make habitable use of the attic space within the roof. Dormers and secondary roofs shall be gable, shed, hip, and modified hip roofs and may be stacked in multiple forms. Flatter roofs may be considered with 24 inch eaves. Hip dormers shall have the same pitch as the main roof. However, no roof may be at a pitch of less than 3:12 and no eave may be less than twelve inches (12").
- vi. When designing the location of skylights, consideration shall be given to both the interior and exterior appearance of the residence. Locations shall also be coordinated with window and door locations. Skylights shall be located away from valleys, ridges, and all other areas where snow may

hinder the performance and safety of the unit. Skylights shall be of high quality, insulated, double pane construction. Roof skylights shall be flat in profile. Bubble and/or dome skylights are not permitted.

- vii. Solar collectors and/or photovoltaic cells shall be integrated into the overall roof design and shall be placed flush with the slope of the roof or wall of the building. All solar collectors shall be screened or concealed from view of the other dwellings and common areas.
- viii. No roof installed within the Subdivision may have a roof pitch of less than 3:12.

4. Decks, Balconies, and Porches

- i. Decks, balconies, terraces, and porches shall be designed to enhance the overall architecture of the building by creating variety and detail.
- ii. Terraces may be used to integrate the building and landscape by creating a transition between the built and natural character of the site.
- iii. No deck, balcony, or porch may be used for the storage of any items. Any furniture placed on a deck, balcony, or porch must be designed and certified for outdoor use.
- iv. Exterior carpeting is not permitted unless it is not visible from a Roadway or Neighboring Lot.
- v. All railing shall be made of wood, approved wood-like material, or approved metal and be colored in a manner appropriate with the color of the main structure.
- vi. Covered decks, projecting balconies, and bay windows shall be integrated into the design building.
- vii. Low level decks shall be skirted to grade and must provide proper ventilation and access. Decks which are not practical to skirt shall be designed to assure the underside of the deck is integrated with the design of the building. Exposed metal joist hangers are not permitted to be visible.
- viii. Support posts shall be a minimum of six (6) inches square. Support posts shall be a minimum of eight (8) inches in length. Support posts may be built from stone, masonry, concrete, or wood.

- ix. Column base piers may be no smaller than twelve inches square (12 x 12).
- x. Deck, balcony, and porch materials and colors shall be consistent with the building and surrounding landscape.
- xi. Front porches must be open to so as to permit viewing from the Roadway. Screened in porches and glazing are not permitted.
- xii. Steps leading to front entry porches must be constructed of concrete or stone masonry. Wood steps are not permitted.

5. Chimneys and Vents

- i. Chimneys, flues, and vents may be used to create visual contrast to the dominant roof forms of the buildings. All flues shall be enclosed with a chimney cap and fitted with a spark arrestor. No exposed clay flues shall be allowed. All chimney forms shall relate to the overall building and shall be covered with stone, stucco, or siding materials to match exterior finishes of the building.
- ii. Vents and flues for ventilation and/or exhaust shall be consolidated into enclosures wherever possible and shall be concealed from public view. All roof penetrations should be placed on the rear of the house so as to be concealed from view.
- iii. Attic openings, soffit vents, foundation louvers, and all other direct openings shall be covered with non-combustible and corrosion resistant mesh.

6. Foundations

- i. All foundations shall be constructed from masonry materials and/or concrete. Foundations shall not be constructed from any other materials.
- ii. A foundation wall may be exposed no more than eight (8) inches above the ground for Lots that are relatively level and no more than twelve (12) inches above the ground for Lots that are not relatively level. On sloping grades, siding shall remain at least one (1) foot above grade. Foundations exposed more than outlined above must have an architectural finish complimenting the architecture of the overall structure. The top of the foundation wall shall not be more than eighteen (18) inches above the top side of the curb on the Lot.

7. Basements

- i. All Basements shall be constructed from concrete.
- ii. All bedrooms located in the basement of a dwelling must contain an escape window (complete with an appropriate window well) that complies with local fire codes.

8. Exterior Lighting

- i. A Lot Owner may install exterior lights on any structure on a Lot. Exterior lights may not be placed on a pole, post, or beam extending above or away from a structure. No exterior light shall be installed above the height of a structure on the Lot.
- ii. Stand-alone light poles, posts, or beams are not permitted. Nothing in this part shall be construed as preventing the Association or the Declarant from installing light poles or posts on or near Common Areas.
- iii. All exterior lights must not be any brighter than a 60-watt compact fluorescent lighting bulb. The use of mercury vapor, obtrusive flood lighting, or any other bright exterior lighting is not permitted.
- iv. All exterior lights shall be free from glare and must be fully shielded.
- v. All exterior lights must be "night sky compliant," must comply with any applicable local codes and regulations, and must comply with the codes and regulations of all nearby airport authorities.

9. Other Exterior Color and Architecture

- i. Log and/or timber homes are not permitted. Porch posts and/or knee braces are permitted as accents.
- ii. The exterior color of all structures shall be local earth tones, white, off white, or wood colors. No bright, "loud," or glossy colors are permitted as exterior colors. Prohibited colors included, but are not limited to, bright orange, royal blue, pink, purple, and other similar hues and colors.
- iii. Every structure must utilize at least three (3) different exterior colors. Any exposed rock, steel, wood, or other exposed building material is considered to be a different exterior color.
- iv. Trim may be of a brighter intensity and contrasting color scheme.
- v. The exterior design, style, and color of each and every structure on a Lot shall conform to the design, style, and colors of the main building. All

buildings should be a visual combination of forms so as not to give a structure a "box" or "block" appearance. Breaks in roof lines and wall lines that add interest to the form and help define the design of the structure are encouraged.

- vi. Residential backyards and side yards are permitted, but not required, to be fenced. If fencing is installed, all fences must be constructed from wood or materials appearing as natural wood. No Lot Owner may install a chain-link fence, wire fence, or vinyl fence. Only local natural colors shall be allowed. White or off white colors are not permitted. All front yards must be free from fences. No fence may be more than six (6) feet high.
- vii. A Lot owner may install up to two (2) satellite dishes or antennas on a Lot. In no case shall a satellite dish or antennae exceed 24" in diameter.
- viii. A Lot Owner may install up to one (1) dog kennel on a Lot. A dog kennel may not exceed 10 ft by 10 ft in floor area, cannot exceed four (4) feet in height, must have a concrete floor, and must be installed in a rear yard and be free from the view of all neighbors.
- ix. For single family structures, front and rear walls shall not exceed thirty (30) feet in length without a change of orientation such as the introduction of dormer, projected bays, or recesses greater than two (2) feet.
- x. For single family structures, side walls shall not exceed thirty (30) feet in length without a roof and wall break.
- xi. Masonry shall be natural or approved synthetic materials. Dry stack, uncoursed settings with minimal exposed mortar are preferred. Masonry shall not be applied to individual wall surfaces in order to avoid a veneer-like appearance. It shall continue around corners to an inside corner.

10. Entry, Overhangs, and Fascia

- i. The main entrance to the main structure shall provide weather protection and visual definition. A concrete walk shall be installed from the driveway to the main entrance.
- ii. Steps leading to main entrances, if any, shall be constructed of concrete or masonry. Steps leading to main entrances, if any, may not be constructed from wood.
- iii. All roofs shall overhang an exterior wall by at least twelve (12) inches and by no more than eighteen (18) inches.

- iv. All fascia materials shall have a minimum width of six (6) inches.

11. Construction Timeline

- i. All construction on a Lot, or within any structure located on a Lot, shall be diligently pursued to completion. Construction on a Lot, or within any structure located on a Lot, must be completed within twelve (12) months of initiation of construction unless specific written extension is granted by the Committee. No construction material shall, at any time, be placed or stored so as to impeded, obstruct, or interfere with pedestrian or vehicular traffic and no construction materials shall be placed or stored on a Lot for a period of more than thirty (30) days following substantial completion of construction.

12. Floor Space, Height Restrictions, and Floor Plan

- i. All buildings and improvements shall comply with height restrictions as set forth by the City of Belgrade, Montana.
- ii. No dwelling structure within the subdivision may exceed two (2) floors above ground level in height.
- iii. No outbuildings are permitted within the Subdivision.
- iv. Lots designated for single family use and having a surface area greater than 6,500 square feet must have at least a two-car garage. All garages on Lots designated for single family use must be attached to the dwelling.
- v. No dwelling, structure, or building within the subdivision may exceed: (x) thirty-two (32) feet in height as measured from average finish grade to the ridge line for structures with roof ridges of 6:12 or greater; (y) twenty-eight (28) feet in height as measured from average finish grade to the ridge line for structures with roof pitches of 3:12 but less than 6:12; and (z) twenty-four (24) feet in height as measured from average finish grade to the ridge line for structures with roof pitches less than 3:12.
- vi. All residential area single family dwellings shall have a minimum of 1100 square feet of floor space together with at least a single-car attached garage. The 1100 square feet must be at daylight level or above grade and is excluding basements, garages, carports, porches, etc. It is the intention of this covenant to insure that all dwellings shall be of a quality workmanship and materials substantially the same as or better than other dwellings in the subdivision and conform to the applicable building codes.
- vii. For single family Lots and dwellings, no single floorplan may be installed on more than four (4) Lots within a single phase of the subdivision. A

similar floor plan may be installed on more than four (4) Lots per phase of the Subdivision if approved by the Committee.

13. Substantial Compliance

- i. All improvements, construction, reconstruction, alterations, remodeling, or any activity requiring the approval of the Committee must be completed in substantial compliance with the plans and specifications initially approved by the Committee.

ARTICLE VI - OWNERS ASSOCIATION BYLAWS

A. MEMBERSHIP

1. Qualifications: Every Lot Owner shall automatically be a Member of the Home Owners Association and shall remain a Member until such time as he or she no longer owns a Lot at which point his or her membership in the Association shall automatically cease. Membership shall be appurtenant to and may not be separated from the ownership of a Lot. No person who is not a Lot Owner shall be a Member of the Association.

2. Voting Members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the vote for such Lot shall be exercised as said Lot Owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. If more than one person seeks to exercise that Lot's one (1) vote, the Lot's vote shall be suspended.

3. Annual Members Meeting: The date, time, and place of the annual meeting of the Members shall be noticed by the Board, which meetings may coincide with Board's annual meeting. At such annual meeting, members from each Lot shall elect directors to the Board elect persons to the Design Review Committee, and conduct such other business as permitted by this Declaration and these Bylaws. A vote may be cast either in person or by proxy. All proxies shall be in writing and shall be filed with the secretary, and entered in the minutes of the meeting. No proxy shall be valid after eleven (11) months from the date it was made, unless otherwise provided in the proxy. Notice of the time, place, and description of the items to be considered shall be mailed by the Association to all Members not less than twenty (20) nor more than ninety (90) days in an advance of the annual members meeting. A quorum for the transaction of business at any meeting shall consist of a majority of the Members, but the Members present at any meeting where less than a quorum is present, may adjourn the meeting to a future time. Action may be taken without a meeting if the action is taken by all the Members and the action is evidenced by one or more written consents describing the action taken, Signed by all the Members, and delivered to the Association for filing with the Association records. All meetings of the Members shall be presided over by the President, or in his or her absence the Secretary, and shall be conducted in accordance with the most recent version of Robert's Rules of Order.

4. Special Members Meeting: Special meetings of the Members may be called for any purpose at any time by the President of the Association, the Board of Directors, the Declarants, or by a petition Signed by not less than fifty-one percent (51%) of the Members entitled to vote at that meeting. If a special meeting is called a written request to notice the meeting, specifying the time of the meeting and the general nature of the business to be transacted, shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the Association. The officer receiving the request shall cause notice to be promptly given, personally or by mail to each Member's last known address, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than twenty (20) nor more than Ninety (90) days after the receipt of the request.

B. BOARD OF DIRECTORS

1. Powers and Duties: The business and affairs of the Association shall be managed by the Board. The Board is authorized to manage the business of the Association and is authorized to take such actions as shall be necessary and reasonable to carry out the functions and purposes of the Association. Pursuant to the provisions of this Declaration, the Board shall have the power and duty to:

- A. Prepare an annual budget and levy assessments;
- B. Adopt rules and regulations;
- C. Call annual and special meetings of the Association and give due notice thereof;
- D. Enforce provisions of this Declaration and any duly adopted rules and regulations;
- E. Make provisions for the general management, improvement, repair and maintenance of the Common Areas;
- G. Enter into contracts or hire personnel for the management of the affairs of the Association and the maintenance, management, improvement, and repair of the Common Areas;
- H. Provide a means of hearing grievances of Lot Owners and to respond appropriately thereto;
- I. Meet at regularly scheduled times and to hold such meetings open to lot Owners or their agents;
- J. Defend in the name of the Association any and all lawsuits wherein the Association is a party defendant;

- K. Take appropriate legal action to collect delinquent assessments;
- L. Initiate legal action for purposes other than collection of delinquent assessments if two-thirds of the Members approve;
- M. Enter into contracts necessary to carry out the duties herein set forth;
- N. Establish a bank account for the Association and handle Association funds;
- O. Arrange, keep, maintain and renew insurance for the Association as provided for herein; and
- P. In general, to act for and carry on the administration and affairs of the Association as authorized and prescribed by this Declaration, and to do all those things which are necessary and reasonable in order to carry out the governance and operation of the Property.

2. Number, Selection, Vacancy. Excepting the period during which the Developer is serving as the Board of Directors, the Association shall be governed by a Board of Directors consisting of five (5) persons. The Declarant, as incorporator of the Association, shall appoint the initial directors of the Association who shall serve until the first annual meeting of the Association. Thereafter, the directors shall be elected, by non-cumulative voting, annually by the Members at the annual meeting. Should a vacancy occur on the Board, the Board shall appoint a Member to serve for the unexpired term.

3. Removal and Resignation: At any annual or special meeting of the Members, any director on the Board may be removed by the vote of the Members. Upon termination of membership, a director is automatically removed from the Board. A director may resign at any time by giving written notice to the Board, the President or the Secretary of the Association. Unless otherwise specified in the notice, the resignation shall take effect at the date specified in the notice or if such date is not specified, then upon receipt thereof by the Board or such officer. Acceptance of the resignation shall not be necessary to make it effective.

4. Annual Board Meetings: The annual meeting of the Board shall be held each Fiscal Year in the first week of September or as soon thereafter as is practicable, at a time and place designated by the Board. The annual meeting of the Board is open to lot Owners. All meetings of the Board of Directors shall be presided over by the President, or in his or her absence the Secretary, and shall be conducted in accordance with the most recent version of Robert's Rules of Order.

5. Other Board Meetings: Other meetings of the Board may be called by the written request of the President or any of the directors. The President shall fix the time and place of the meeting and send notice to each director at least 5 days in advance of the meeting, setting forth the date, time, and place of the meeting. Directors may participate by means

of a conference telephone or similar communication equipment through which all persons participating in the meeting may communicate with the other participants; provided, however, that all participants shall be advised of the communications equipment and the names of the participants in the meeting shall be divulged to all participants. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

6. Quorum and Voting: A quorum for the transaction of business of any meeting of the Board shall consist of a majority of the Board, but in no event less than two members of the Board. At every Board meeting, each director shall be entitled to one vote. Unless otherwise required by Montana law or this Declaration and these Bylaws, the affirmative vote of the majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board and of the Association. Any action of the Board may be taken without a meeting if the action is taken by all members of the board. The action must be evidenced by one or more written consents describing the action taken, be signed by each director, and be included with the Association records reflecting the action taken.

7. Action Without Meeting: Action may be taken without a Board meeting if the action is taken by all the directors. The action must be evidenced by one or more written consents describing the action taken, signed by all the directors, and delivered to the Association for filing with the Association records.

8. Compensation: No director shall receive any compensation for acting as such. Nothing herein, however, shall be construed to preclude compensation being paid for any services rendered in any other capacity for the Association, whether as employees, independent contractors or otherwise.

9. Initial Board: Upon recording of this Declaration and the Bylaws within, the Developer shall be and act as the Board of Directors of the Homeowners Association. Developer shall be tasked with all responsibilities of the Board of Directors and shall have all powers of the Board of Directors. The Developer shall continue to be and act as the Board of Directors of the Homeowners Association until the sooner occurrence of: (1) 75% of the Lots within the Subdivision being sold and owned by Lot Owners whom are not contractors or real estate agents or (2) upon written notice to all Lot Owners from the Developer that Developer is assigning operation of the Home Owners Association to the Lot Owners. Upon either occurrence, the Developer shall designate a date and time for the annual meeting to occur where the election of Board Members and all other tasks of the annual meeting shall take place. The Developer must designate a date not less than 60 days and not more than 180 days from the date of either occurrence. Until the time of the annual meeting, the Developer shall continue to be and act as the Board of Directors of the Homeowners Association.

C. OFFICERS

1. Selection, Removal, Vacancy: There shall be a President, a Secretary, and a Treasurer elected by and from the Board. An officer may be removed at any time by a majority vote of the Board or by majority vote of the Members at an annual or special

members meeting. Any vacancy shall be filled by the directors until a replacement can be elected at an annual or special meeting.

2. Duties of the President: The President shall be the principal executive officer of the Association and subject to the control of the Board, shall in general supervise and control all the business and affairs of the Association, including the filing of liens for unpaid assessments in accordance with this Declaration and the enforcement of activities of the Association. The President shall preside at all meetings, shall sign all written contracts, deeds, mortgages, bonds or other instruments of the Association which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or this Declaration to some other officer or agent of the Association or shall be required by law to be otherwise signed or executed. The President shall perform all such other duties as are incidental to the office of President; in case of the absence or disability of the President, the presidential duties may be performed by the Secretary.

3. Duties of the Secretary: The Secretary shall issue notice of all meetings and shall attend and keep the minutes of the same; maintain the names and addresses of all Members; have charge of all Association records and papers; and perform all such other duties as are incidental to the office of Secretary.

4. Duties of Treasurer: The Treasurer shall be the custodian of the Association's monies and securities, shall deposit the same in the Association's name as directed by the Board, and shall keep legal books of account, and shall submit them, together with all vouchers, receipts, records and other papers, to the Board for their examination and approval, as often as they may require, and shall perform all such other duties as may be incidental to this office. The Treasurer shall be bonded if directed by the Board.

5. Compensation: No officer shall receive any compensation for acting as such. Nothing herein, however, shall be construed to preclude compensation being paid for any services rendered in any other capacity for the Association, whether as employees, independent contractors or otherwise.

D. OFFICES AND REGISTERED AGENT

Principal Office. The address of the initial principal office of the Association is _____ . The initial registered agent of the Association is _____ with a mailing address of _____ . The Board shall maintain accurate and current registered agent records with the Montana Secretary of State.

E. ANNUAL REPORT

The Association shall file with the Montana Secretary of State or other proper state administrator a duly executed annual report as required by the Montana Nonprofit Corporation Act.

F. PERSONAL AND REAL PROPERTY FOR COMMON USE.

The Association, through action of its Board, may acquire, hold, and dispose of tangible or intangible personal property and real property. The Declarants may convey to the Association improved or unimproved real estate located on the Property, personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed.

G. REPAIRS AND MAINTENANCE

The Association shall maintain and keep in good repair the Common Areas. Repairs of the Common Areas shall be performed on an "as needed" basis and the President of the Association is authorized to initiate all repairs which are estimated at less than one thousand dollars (\$1,000) in expense. All repairs estimated at one thousand dollars (\$1,000) or more in expense shall be initiated by the President of the Association only after the Board has adopted a resolution specifically authorizing the expense. Expenses for repair and maintenance shall be paid by the Treasurer of the Association from Association funds received as assessments consistent with this Declaration. In order to implement maintenance resolutions and repairs, the President shall employ any personnel reasonably necessary to properly effect said maintenance.

The Association shall maintain and clean all storm water drains and systems within the Subdivision as follows:

1. The Association shall clear all catch basins, storm drain inlets, curbs, storm-water mains, gutters, and culverts of all sediment and debris in the spring and fall of every calendar year and as may be necessary.
2. The Association shall periodically inspect all catch basins, storm drain inlets, curbs, storm-water mains, gutters, and culverts for erosion.
3. The Association shall maintain all infiltration chambers according to the instructions and specifications of the manufacturer.

H. ASSESSMENTS

1. Authority and Obligation: The Board shall have the authority to levy assessments on each lot for Association expenses as the Board may specifically authorize from time to time. No Member may exempt him or herself from liability for assessments by non-use of Common Areas and/or Roadways, abandonment of his or her lot, or by any other means except as stated in the paragraph. The obligation to pay assessments is a separate and individual covenant on the part of each Lot Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the

Association or the Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes

2. Annual Assessments: At least sixty (60) days before the beginning of each Fiscal Year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year. The annual assessment shall be levied equally against all Lots regardless of the size of the Lots and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves and administrative overhead. The Board shall send a copy of the budget and notice of the amount of the annual assessment for the upcoming year and the due date to each Member at least thirty (30) days prior to the beginning of the Fiscal Year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at an annual or special meeting of the Members, at which a quorum is present, by at least seventy-five percent (75%) of the Members. If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. Failure of the Board to levy an annual assessment shall not be deemed a waiver, modification, or a release of any Member or Lot Owner from the obligation to pay the annual assessment. In such event, each Lot Owner shall continue to pay the annual assessment on the same basis as for the last year for which an assessment was made, if any, until a new annual assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

3. Special Assessments: In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Except as otherwise specifically provided in this Declaration, any Special Assessments for Common Expenses shall require the affirmative vote or written consent of a majority of the Members present at a duly held meeting. Special assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the Fiscal Year in which the special assessment is approved.

4. Enforcement and Recovery: All assessments shall be a charge upon the land and shall be a continuing lien upon the Lot upon which the assessments are made. Each assessment shall also be a personal obligation of the person who is the owner of the Lot at the time the assessment falls due. Upon delivery to the Lot Owner of the notice of assessment, the assessment shall be a lien upon the Lot Owner's Lot until paid. The Association may record a notice of the lien with the Clerk and Recorder of Gallatin County, Montana. In the event of nonpayment within thirty (30) days after recording the notice of the lien, the Association may foreclose the lien in a manner set forth under Montana law for the foreclosure of liens against real property. The Association may also bring an action at law or equity against the persons personally obligated to pay the delinquent assessments. A suit to recover a money judgment for assessments may be maintainable without foreclosing or waiving the lien securing the same.

In the event of action to collect a past due assessment, the Association shall be entitled to recover its costs, the maximum interest allowable by law, and its reasonable attorney's fees in addition to the amount of the past due assessment. The Association may bid for the Lot at a foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure no right to vote shall be exercised on its behalf. The sale, transfer, or encumbrance of any Lot shall not affect the assessment lien or the personal liability of the Lot Owner. No sale, transfer or encumbrance shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

I. BYLAWS.

These Bylaws were adopted by the Board of Directors of the Association. This Article shall serve as the Bylaws of the Association and may only be amended as set forth in Article IX.

J. RULES AND REGULATIONS

The Association may adopt such additional rules and regulations as shall be reasonable and necessary to carry out its authority and duties under the terms of this Declaration, provided such rules and regulations are consistent with and are in compliance with this Declaration. Originals of all duly adopted rules and regulations shall be kept by the Secretary and copies thereof shall be provided to each Lot Owner and prospective purchaser of a Lot upon request. In the event of a conflict between any new rule or regulation and this Declaration (as subsequently amended), the terms of this Declaration shall control. New rules and regulations may be adopted by:

The affirmative vote of sixty percent (60%) of the Members present at any duly called meeting of the Association;

or

The Board if the proposed rule or regulation is not overturned within thirty (30) days by a vote of sixty percent (60%) of the Members at a duly called meeting of the Association.

K. NOTICES

Each Lot Owner/Member shall register with the Association, a current mailing address and shall promptly notify the Association of any change in said address. All notices, demands, and other communication to any Lot Owner/Member shall be sufficient for all purposes if personally served or mailed to the Lot Owner/Member at the last mailing address on file with the Association.

L. INSURANCE.

The Association, acting through its Board or its duly authorized agent, may obtain appropriate insurance coverage for all Association personal and real property, including for the

Common Areas. The Association may obtain directors' and officers' liability coverage if reasonably available. Premiums for all Association insurance coverage shall be a Common Expense and shall be included in the annual assessment. The Association, acting through its Board or its duly authorized agent, has the sole authority for filing and adjusting all insurance claims and applying the proceeds thereto.

M. CONTRACTS, LOANS AND DEPOSITS

The Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless properly authorized by a majority vote of the Board. All funds of the Association not otherwise employed shall be deposited from time to time in such banks, trust companies or other depositories as the directors may select.

N. INDEMNIFICATION

The Association shall indemnify each of its directors, officers, employees or agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by such person by reason of such person having been made or having been threatened to be made a party to a proceeding because said person was or is a director, officer, employee or agent of the Association if said individual conducted him or herself in good faith and reasonably believed that his or her conduct was in the Association's best interests. Of, in the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The Association may not indemnify a director, officer, employee, or agent if said person is adjudged liable to the Association in an action brought by the Association or if in any action said person has been found to have received improper personal benefit at the expense of the Association. If the Board determines the person qualifies for indemnification under this paragraph, the Association shall advance the expenses reasonably expected to be incurred.

ARTICLE VII - DECLARANT'S ADDITIONAL RIGHTS

A. TRANSFER OF RIGHTS.

Any or all of the special rights and obligations of the Declarant set forth in this Declaration and these Bylaws may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration and these Bylaws. No such transfer shall be effective unless it is in a written instrument signed by the Declarants and duly recorded in the office of the Gallatin County Clerk and Recorder.

B. USE OF COMMON AREAS.

So long as Declarants shall own any Lot within the Subdivision, Declarant, builders authorized by Declarant, and other agents authorized by Declarant may maintain and carryon

upon portions of the Common Areas such facilities and activities as, in the sole opinion of the Declarants, may be reasonably required, convenient, or incidental to the sale of such Lots or construction of such structures. Declarants, builders authorized by Declarants, and other agents authorized by Declarants shall have easements for access to and use of such facilities.

So long as Declarants shall own any lot within the Subdivision, Declarants may construct, reconstruct, refinish or alter any improvement upon or make or create any excavation on or fill upon or change the natural or existing drainage of or plant any trees, shrubs or ground cover upon the Common Areas if Declarants shall determine that any such work is reasonably necessary for any utility installation serving the Subdivision, is reasonably necessary for the construction or of any facility for use by the Owners, is desirable in order to provide or improve access to or to enhance the use and enjoyment of the Common Areas or is desirable to protect, support or preserve any land which constitutes a part of the Subdivision.

C. ANNEXATION OF PROPERTY

The Declarant shall have the right to annex and add additional property to the Subdivision at the sole option of the Developer until the sooner occurrence of: (1) 75% of the Lots within the Subdivision being sold to Lot Owners whom are not contractors or real estate agents or (2) the fifteen (15) year anniversary of the filing of the original plat of this Subdivision.

D. BOARD MEMBERSHIP

The Declarants shall be considered to be the Board of Directors of the Home Owners Association until the sooner occurrence of: (1) 75% of the Lots within the Subdivision being sold to Lot Owners whom are not contractors or real estate agents or (2) written notice to all Lot Owners from the Declarant that Declarant is assigning operation of the Home Owners Association to the Lot Owners.

ARTICLE VIII - ENFORCEMENT

A. STANDING, COSTS, AND ATTORNEY'S FEES.

The Protective Covenants and Restrictions set forth in Article III of this Declaration, the Design Review Guidelines, if any, and additional rules and regulations adopted by the Association pursuant to the Bylaws set forth in Article VI, may be enforced by the Association, individual Lot Owners, or the Declarant. In the event of violation or threatened violation of any of said Protective Covenants and Restrictions, Design Review Guidelines, or additional covenants, rules, and regulations, legal proceedings may be brought in a court of law or equity for injunctive relief and/or damages. In the event of action to enforce said Protective Covenants and Restrictions, Design Review Guidelines, or additional covenants, rules, and regulations, the prevailing party shall be entitled to costs and a reasonable attorney's fee. The Design Review Committee may also enforce compliance with the Design Guidelines by suit for specific performance, without the necessity of posting a bond and the prevailing party shall be entitled to an award of its attorney's fees and costs at trial and on appeal.

B. NO WAIVER.

The failure by the Declarant or its assigns, the Association, the Design Review Committee, or any subsequent Lot Owner to enforce these Protective Covenants and Restrictions, the Design Review Guidelines, or additional duly adopted covenants, rules, and regulations shall in no event be deemed a waiver or in any way prejudice the right to enforce these Protective Covenants and Restrictions, the Design Review Guidelines, or additional duly adopted covenants, rules, and regulations at any time against any person breaching the same or to collect damages for any subsequent breach.

ARTICLE IX - AMENDMENT

The provisions of this Declaration and these Bylaws shall remain in effect until amended or terminated. The provisions of this Declaration and these Bylaws, or any portion thereof, may only be amended, terminated or supplemented at any time by the execution of a written document containing the terms of the amendment, supplement or termination of any of the provisions of this Declaration or these Bylaws, duly acknowledged by a Notary Public, and recorded with the office of the Gallatin County Clerk and Recorder, executed by at least seventy five percent (75%) of the Lot Owners of the *above* described Property based on one vote per Lot. If there is more than one owner for a Lot, the vote for said Lot shall be determined as the Lot Owners of said Lot among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. If the owners of a Lot determine to amend, supplement, or terminate the terms of this Declaration, each owner of said Lot automatically consents to and is compelled to execute the amendment, supplement or termination document. Any right or privilege granted to the Declarants and their assigns in this Declaration and these Bylaws may only be amended or deleted with the signed written consent of the Declarants or their successors and assigns.

ARTICLE X - MISCELLANEOUS PROVISIONS

A. SEVERABILITY.

Invalidation of any provision of this Declaration and these Bylaws, in whole or in part, or any application of a provision of this Declaration and these Bylaws by judgment or court order shall in no way affect other provisions or applications.

B. PERPETUITY.

The provisions of this Declaration and these Bylaws shall continue in full force and effect and shall run with land as legal and equitable servitudes in perpetuity unless amended as set forth herein.

C. MORTGAGEES AND LIENHOLDERS.

A breach of any of the foregoing restrictions, covenants, or duly adopted rules, regulations, and guidelines shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value upon any Lot or portion of the real property or any

improvements thereon. However, these restrictions, covenants, and duly adopted rules, regulations, and guidelines shall be binding upon and inure to the benefit of any subsequent owner who acquired by foreclosure, trustee sale or otherwise, title to any of the Property.

D. APPLICATION

All of the Property shall be subject to the provisions of this Declaration and these Bylaws whether or not there is a reference to the same in a deed or conveyance.

IN WITNESS WHEREOF, this instrument has been executed this ___ day of _____, 2018.

DECLARANTS:

[Signature]
Member, Story Creek Partners, LLC

STATE OF MONTANA)
)
) : ss.
County of Gallatin)

On this 25th day of June, 2018, before me, the undersigned, a Notary Public in and for the State of Montana, personally appeared Michael A. Promisco ^{member of Story Creek Partners}, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same.

In witness whereof, I have hereunto set my hand and affixed my notarial seal on the day and year first above written.

[Signature: Mary Jane DiSanti]
NOTARY PUBLIC FOR THE STATE OF MONTANA

